# UNIVERSITY OF SASKATCHEWAN

## CROWN FOUNDATION

## FINANCIAL STATEMENTS

**For the Year Ended April 30, 2002**

SASKATCHEWAN

**Provincial Auditor Saskatchewan**

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## AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the University of Saskatchewan Crown Foundation as at April 30, 2002 and the statements of operations and changes in net assets and cash flows for the year ended April 30, 2002. The University of Saskatchewan Crown Foundation's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the University of Saskatchewan Crown Foundation as at April 30, 2002 and the results of its operations and its cash flows for the year ended April 30, 2002 in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
June 4, 2002

Fred Wendel, CMA, CA
Provincial Auditor

Statement 1

## UNIVERSITY OF SASKATCHEWAN CROWN FOUNDATION
## STATEMENT OF FINANCIAL POSITION
## AS AT APRIL 30

| | 2002 | 2001 |
|---|---|---|
| Assets | | |
| Cash | $ 87,448 | $ 187,672 |
| Other assets | 15,888 | 15,477 |
| | $ 103,336 | $ 203,149 |
| Net assets (Statement 2) | $ 103,336 | $ 203,149 |

On behalf of the Board of Trustees

Chairperson of the Board

Secretary of the Board

(See accompanying notes to the financial statements)

# UNIVERSITY OF SASKATCHEWAN CROWN FOUNDATION

## STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

## FOR THE YEAR ENDED APRIL 30

| | 2002 | 2001 |
|---|---|---|
| **REVENUES** | | |
| Donations | $ 293,013 | $ 259,248 |
| Interest | 6,910 | 14,170 |
| | 299,923 | 273,418 |
| **EXPENSES** | | |
| Transfer to University of Saskatchewan | 386,408 | 358,700 |
| Insurance policy premiums (Note 3) | 13,328 | 10,871 |
| | 399,736 | 369,571 |
| Excess of expenses over revenues | (99,813) | (96,153) |
| Net assets, beginning of year | 203,149 | 299,302 |
| Net assets, end of year - to Statement 1 | $ 103,336 | $ 203,149 |

(See accompanying notes to the financial statements)

# UNIVERSITY OF SASKATCHEWAN CROWN FOUNDATION
## STATEMENT OF CASH FLOWS
## FOR THE YEAR ENDED APRIL 30

| | 2002 | 2001 |
|---|---|---|
| Cash provided by (used in): | | |
| Operating activity: | | |
| Cash donations | $ 279,274 | $ 245,509 |
| Interest revenue | 6,910 | 14,170 |
| Transfer to University of Saskatchewan | (386,408) | (358,700) |
| Net increase (decrease) in cash position during the year | (100,224) | (99,021) |
| Cash, beginning of year | 187,672 | 286,693 |
| Cash, end of year | $ 87,448 | $ 187,672 |

(See accompanying notes to the financial statements)

**THE UNIVERSITY OF SASKATCHEWAN CROWN FOUNDATION**
**NOTES TO THE FINANCIAL STATEMENTS**

**April 30, 2002**

## 1. Authority and Purpose

The University of Saskatchewan Crown Foundation (Foundation) is incorporated under *The Crown Foundation Act* pursuant to Order in Council 842/94 effective December 15, 1994. As an agent of the Crown in the right of the province, donations to the Foundation qualify under the *Income Tax Act* for a tax credit in the case of individuals and for a deduction in the case of corporations.

The purpose of the Foundation is to receive gifts of real and personal property, including money, and to provide grants and transfers of real and personal property to the University of Saskatchewan (University) for the purpose of supporting and promoting its education or research activities. The Foundation began operations on December 20, 1995.

## 2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following accounting policies are considered significant:

a) Accrual Basis

The financial statements are prepared on the accrual basis of accounting.

b) Donations and Pledges

Donations are recorded as revenue in the fiscal period in which they are received. Gifts in Kind are recorded at fair market value on the date of their donation.

Pledges made by donors for donations to be received in future years are not recorded in the financial statements.

c) Cash Surrender Value of Life Insurance Policies

Where there is a cash surrender value of an insurance policy owned by the Foundation that value is recognized in 'Other assets'. The value is provided by the insurance company based on the terms and conditions of the corresponding insurance policy.

**3. Life Insurance Premiums**

Various individuals have named the Foundation as the beneficiary of their life insurance policies. Those individuals pay the premiums on the life insurance policies directly to the insurance companies. The Foundation recognizes the premiums as both a donation revenue and an expense in its Statement of Operations and Changes in Net Assets.

**4. Related Party Transactions**

These financial statements include transactions with related parties. The Foundation is related to all Saskatchewan Crown agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the Foundation is related to non-Crown enterprises that the Government jointly controls or significantly influences.

The University of Saskatchewan is related to the Foundation. The Foundation has negotiated a service agreement with the University to provide certain administrative and management services to the Foundation without charge, therefore, no provision for such costs is reflected in these financial statements.

The Foundation has arranged with the University to invest the Foundation's cash as part of the University's short-term investment pool. Interest income is allocated by the University to the Foundation based on its level of participation in the investment pool.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

# University of Saskatchewan Crown Foundation
## Report of Activity
## May 1, 2001 – April 30, 2002

**The Foundation's Board of Trustees Met August 31, 2001**

**Present:** Don Gass (Chair), Sylvia Fedoruk, Colleen Schneider, Tony Whitworth, Matt Webster, Doug Clark **Regrets:** Tom Gauley

At the August 31, 2001 meeting the Board of Trustees:

a) approved acceptance of the Foundation's financial statements for the period May 1, 2000 to April 30, 2001.
b) approved the 2000/2001 Activity Report
c) accepted and released a number of gifts (see August 31, 2001 Board minutes for detail)
d) approved the transfer of $80,000 in interest earnings to the University to be directed to the Chancellors' and President's First & Best Scholarship Fund
e) discussed the status of Trustee appointments and the government's approval of Foundation bylaws.

**Gifts Received during this Reporting Period:**

1) Estate of William H. Schuman: $185,000 for the Schuman Bursaries
2) Estate of Gerhard Herzberg: $75,898.78 for The Herzberg Fund
3) Anonymous Donor: $7,500 to be directed to research projects
4) Estate of Euphemia Fleming Sheardown: $10,875.15 for unrestricted use
5) Life insurance premium payments on policies in which the Foundation is the beneficiary were received and receipted from:
   a) M. Erickson $9,720
   b) J. Shumiatcher $4,018

**Funds Released to the University during the Reporting Period:**

1) Mrs. Jacqui Shumiatcher, Non-Alumna – $4,018 premium on life insurance contract of $50,000 for Companion Animal Health Fund, WCVM
2) Ms. Muriel Erickson, BED 1965 – $9,720 premiums on life insurance contracts totalling $280,000 for Greystone Heritage Trust
3) Estate of Euphemia Fleming Sheardown, Non-Alumna - $105,509.04 representing 25% of the residue of estate transferred to the U of S Chancellors' & President's First & Best Scholarship Fund
4) Estate of William H. Schuman, Non-Alumnus - $125,000 toward an endowed fund for undergraduate bursaries as determined by the University, called The Schuman Bursaries
5) Release of $80,000 from accumulated earnings to the Chancellors' and President's First & Best Scholarship Fund.

**Terms of Trustees and Approval of Bylaws**

The Secretary had discussions with Jane Forster, University of Saskatchewan Liaison to Post Secondary Education, regarding the Foundation's request to re-appoint the present members of the Board of Trustees (S. Fedoruk, D. Gass, T. Gauley, C. Schneider, T. Whitworth) and receive formal approval of the Foundation's Bylaws. To date no response has been received from government.

The Secretary will continue to pursue closure on these items and will request written confirmation from the government supporting the verbal directions previously received to operate the Foundation with the current Trustees and according to the submitted bylaws, pending government approval.

**On behalf of the Board of Trustees:**

Clark

**Date:** July 23/02

**Doug Clark**
**Secretary**
**University of Saskatchewan Crown Foundation**